



SF 424 – Joint School Infrastructure Projects (LSB 1864SV)

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Fiscal Note Version – New

Description

Senate File 424 allows school districts to use property tax generated from the regular Physical Plant and Equipment (PPEL) and the voter-approved PPEL for joint infrastructure projects with multiple school districts or multiple school districts and a community college for facilities built or leased and used for district-to-community college sharing agreements.

Additionally, the Bill permits a school board to adopt a resolution that would allow the use of Secure an Advanced Vision for Education (SAVE) funds for the joint projects without requiring voter approval of a new revenue purpose statement.

Background

Regular PPEL – In FY 2011, 328 districts levied for the regular PPEL (approved by the school board), and of those, 318 levied up to their regular PPEL capacity. Additionally, 320 districts participated in district-to-community college sharing agreements. Of the 41 school districts with remaining PPEL capacity, 35 school districts also participated in district-to-community college sharing agreements. Of those 35 districts, the remaining regular PPEL capacity totals \$3.0 million.

Voter-Approved PPEL (VPPEL) – In FY 2011, 248 districts levied for the VPPEL, and of those, 79 levied up to their VPPEL capacity (including property tax and income surtax). Additionally, 320 districts participated in district-to-community college sharing agreements. Of the 280 school districts with remaining VPPEL capacity, 251 school districts also participated in district-to-community college sharing agreements. Of those 251 districts, the remaining VPPEL capacity totals \$78.6 million.

The following table provides information regarding regular PPEL and VPPEL.

Regular Physical Plant and Equipment Levy (PPEL)	
Number of Districts with Regular PPEL	328
Number of Districts at Maximum Rate	318
Number of Districts with Remaining Regular PPEL Capacity	41
Number of Districts with Community College Supplementary Weighting and Remaining PPEL Capacity	35
Regular PPEL Capacity Remaining for Districts with Community College Supplementary Weighting	\$ 3,011,426
Voter-Approved Physical Plant and Equipment Levy (VPPEL)	
Number of Districts with VPPEL	248
Number of Districts at Maximum Rate	79
Number of Districts with Remaining VPPEL Capacity	280
Number of Districts with Community College Supplementary Weighting and Remaining VPPEL Capacity	251
VPPEL Capacity Remaining for Districts with Community College Supplementary Weighting	\$ 78,575,532

Secure an Advanced Vision for Education (SAVE) Fund – Each school district receives funding from the SAVE fund to be used for school infrastructure or property tax relief purposes, as determined by each district's revenue purpose statement. For FY 2011, the total SAVE Fund amount allocated to school districts is estimated to be \$379.5 million.

Assumptions

- Assumes that there is potential for school boards not currently levying their capacity for the regular PPEL (maximum rate of \$0.33/\$1,000 of assessed valuation) and participating to approve an increase in the regular PPEL rate.
- There may be an impact related to the voter-approved PPEL levy rate as well. However, the amount will depend on voter approval within each school district.
- There will be no change in the amount of funding school districts receive from the SAVE Fund. However, the amount of funding designated for property tax relief as specified by each district's revenue purpose statement may be impacted. That amount is unknown.

Fiscal Impact

The estimated fiscal impact of the Bill is unknown. Based on data for FY 2011, the maximum fiscal impact would be an increase in the regular PPEL of \$3.0 million. Additionally, there may be an increase in the voter-approved PPEL in future years due to enactment of [Senate File 424](#), but any increases would depend on voter approval within each school district. There will be no impact to the overall SAVE allocations to school districts. There may be an impact on how the district's SAVE funds are used within the district, but that amount is unknown.

Sources

Iowa Department of Management, School Aid file
LSA calculations and analysis

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to Code [Section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
